

Defense Logistics Agency

Strategic Plan
2002 - 2007



The Warfighter's Logistics Combat Support Agency

DLA MISSION...

To provide best value logistics support to America's Armed Forces,
in peace and war... around the clock, around the world.

DLA VISION...

Right Item, Right Time, Right Place, Right Price.
Every Time...Best Value Solutions For America's Warfighters.

DLA VALUES...

People.... care for our people, our community, and our environment -
their safety and their diversity.

Service....focus on customer service.

Excellence..... expectation of professionalism and quality, teamwork
and recognition to teams and individuals based on
contributions to achieving Agency objectives.

Innovation.....investment in improvements for the future.

Trust.....fostering relationships based on honesty, credibility, respect
and fairness.

DLA GOALS...

Goal 1: Provide responsive, best value supplies and services consis-
tently to our customers.

Goal 2: Structure internal processes to deliver customer outcomes
effectively and efficiently.

Goal 3: Ensure our workforce is enabled and empowered to deliver
and sustain logistics excellence.

Goal 4: Manage DLA resources for best customer value.

GOAL 1:

Provide responsive, best value supplies and services consistently to our customers.



As a Combat Support Agency, the DLA mission is to provide logistics support to the war fighter. DLA's first and most important goal concerns the outcome for our customer. The strategies and objectives under this goal communicate how DLA will improve customer service and the level of service we have targeted to deliver. DLA aims for logistics excellence.

Goal 1 Strategies:

1. Focus, manage, and measure logistics support by customer segment based on customer requirements.
2. Negotiate and honor performance agreements with customer segments.
3. Ensure seamless logistics support to customer segments throughout the customer's transition to and from peace and war.

Goal 1 Objectives:

<u>Objectives</u>	<u>Process Owner</u>
1. Improve customer satisfaction to 90% by the end of FY 07.	J-34
2. Supply availability, for weapons systems and overall, shall be equal to or greater than 85% for each Military Service for each fiscal year.	J-33
3. Implement measurement of Customer Wait Time as the DoD logistics timeliness metric by the end of FY 07.	J-33
4. Reduce hardware backorders to 250,000 by the end of FY 07.	J-33
5. Develop complete support plans for all OPLANS and CONPLANS with TPFDD when directed by the JSCP or CJCS, or when requested by the supported CINC within 60 days of CJCS approval of an OPLAN or CONPLAN with TPFDD. Develop DLA support plans for USCINCPAC 5027 and USCINCCENT 1003 and a generic support plan for Homeland Defense and the Federal Response Plan by the end of FY 03.	J-34
6. Improve requisition visibility to customers and the Defense Distribution Center to 100% by the end of FY 07.	J-33
7. Improve responsiveness by all modes of customer contact so that 85% of customer contacts meet standards by FY 07.	J-34
8. Cost-effectively increase hardware combat support capability through utilizing Strategic Materiel Sourcing (SMS) techniques and partnering with industry by forging 17 long-term strategic supplier alliances by FY 04	J-33

GOAL 2:

Structure internal processes to deliver customer outcomes effectively and efficiently.

This internal process goal results in strategies for improved market knowledge, customer and supplier accessibility, and collaboration.

Supply chain management practices provide the set of tools to manage our internal processes. Our focus on the objectives for perfect order fulfillment, supplier management, and Information Technology (IT)

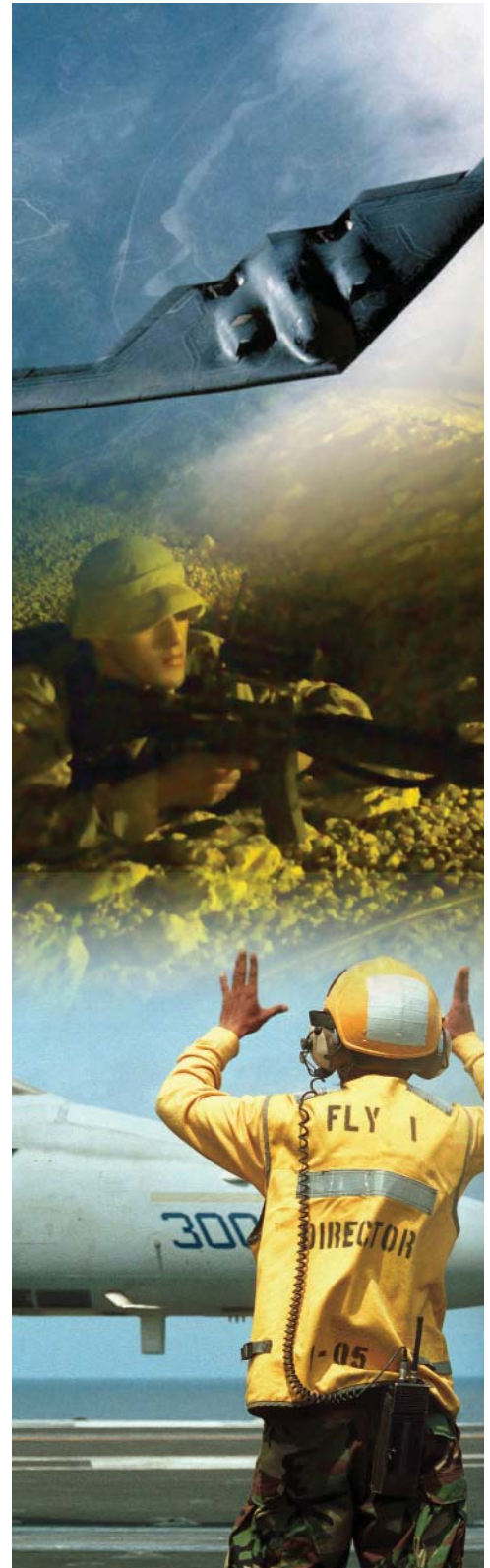
investments' performance provide the means of assessment.

Goal 2 Strategies:

1. Improve supply chain effectiveness.
2. Improve processes.
3. Leverage industry.
4. Design and implement a best value enterprise IT environment.

Goal 2 Objectives:

<u>Objectives</u>	<u>Process Owner</u>
1. Improve average Logistics Response Time performance to 1.9 days for medical and pharmaceutical items, 2.5 days for subsistence items, 15 days for repair parts, and 21 days for clothing and textile items by the end of FY 07.	J-33
2. Improve overall Purchase Request processing time by reducing ICP processing time and achieving Lead Time of record 75% of the time.	J-33
3. Improve planned Direct Vendor Delivery inventory control point/vendor average processing time to 13 days by the end of FY 03.	J-33
4. Inventory accuracy for general supplies will be equal to or greater than 99% for high dollar items and 95% for all other items by the end of FY 07.	J-33
5. Product conformance of critical aviation material on hand will meet 99% by the end of FY 07.	J-33
6. Implement measurement and improvement of a Perfect Order Fulfillment index for DLA product and service requests – establish performance targets and improve performance by the end of FY 07.	J-33
7. Complete the implementation of the Business Systems Modernization (BSM) solution for SAMMS and DISMS replacement by the end of FY 05.	J-62/J-32
8. Improve customer support through the development and implementation of Customer Relationship Management (CRM) processes and system, with a net saving target of \$5.6 million by the end of FY 07.	J-34/J-62



9. Improve distribution responsiveness and reduce cost through the development and implementation of a modern Distribution Planning and Management System (DPMS), achieving a net projected savings of \$63 million by the end of FY 07.DDC/J-62
10. Improve logistics data integration and exchange through the development and implementation of an Integrated Data Environment (IDE), achieving a net projected savings of \$73.2 million by the end of FY 07. . . .J-67/J-62
11. Improve materiel management and integrate financial accounts for fuels commodities by completing Milestone IIIB of the implementation of the Fuels Automated System (FAS) by the end of FY 05.DESC/J-62
12. Reduce redundant DoD inventory and improve responsiveness by combining operating and safety levels of stock through implementation of a National Inventory Management Strategy (NIMS), completing transition at 10 pilot sites by the end of FY 03.J-38/J-64
13. Integrate the distribution supply chain functions to reduce the logistics footprint through development of End-to-End Distribution (E2E) concept establishing a single process manager for distribution, and implement the associated improvements to distribution processes through FY 07.J-38/J-64
14. Complete public/private competitions under OMB Circular A-76 procedures for identified functions through FY 04.J-38
15. Reduce Hardware Production Lead Times (PLT) an average of 10% by the end of FY 07.J-33
16. Achieve Stage 3 of the GAO Information Technology Investment Management (ITIM) Maturity Model through implementation of an IT investment acquisition process using repeatable integrated portfolio management techniques by the end of FY 03.J-6
17. Improve operational readiness, efficiency and effectiveness while reducing IT total ownership cost by 10% through the implementation of enterprise-wide IT infrastructure initiatives by the end of FY 06.J-63
18. Create and maintain a secure operating and data environment for DLA systems by achieving Level 5 of the Federal Information Technology Security Assessment Framework (FITSAF) by the end of the first quarter of FY 04.J-63



GOAL 3:

Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.



DLA's success depends on its human capital. This goal focuses on the strategic management of our human capital. Our workforce must be properly staffed, possess the right competencies, and use knowledge-based skills for DLA to successfully perform its mission. DLA must nurture and sustain a high-performing workforce, ensuring that no skills gap exists in our mission-critical occupations. This goal encompasses investing in the workforce and implementing a strategy to retain and sustain a highly skilled and competent work-

force. In addition, we continually strive to foster a positive work experience by providing and maintaining a safe work environment, fostering self-respect, valuing individual and team contributions, and taking pride in our workforce diversity.

Goal 3 Strategies:

1. Deliver the proper knowledge and skills to meet DLA's commitments to our customers.
2. Create and manage a customer-focused corporate culture.
3. Provide a quality work environment consistent with DLA values.

Goal 3 Objectives:

- | | <u>Objectives</u> | <u>Process Owner</u> |
|--|-------------------|----------------------|
| 1. Identify gaps between workforce competencies and the skills required to meet mission requirements for 100% of DLA positions by the end of FY 07. | J-1 | |
| 2. Provide trained Joint Reserve Forces to meet 95% of validated and funded position requirements by the end of FY 07. | J-9 | |
| 3. Improve the level of employee satisfaction on the DLA climate survey to an average rating of 3.5 or better by the end of FY 07. | J-1 | |
| 4. Achieve representation of the workforce at senior grades so that all groups are represented within 1% of their proportion in the Agency population by the end of FY 07. | J-1 | |
| 5. Decrease the time required to competitively fill a vacant position to 60 days by the end of FY 07. | J-1 | |

GOAL 4:

Manage DLA resources for best customer value.



Focusing on the financial goal will sustain the strong financial discipline required to ensure effective financial planning and management in DLA. The strategies and objectives associated with this goal allow DLA to provide best value to DLA customers. Accurate forecasts strengthen DLA's ability to project and support requirements and plan for the resources needed. Better supply chain cost decisions result in better management of our


resources. Compliance with the provisions of the Chief Financial Officer Act assures that the financial management systems produce relevant, reliable, and timely information.

Goal 4 Strategies:

1. Resource DLA's operational strategies.
2. Minimize total supply chain costs.
3. Promote confidence in DLA's financial stewardship.

Goal 4 Objectives:

<u>Objectives</u>	<u>Process Owner</u>
1. DLA's non-energy Cost Recovery Rate, based on the cost of operations, will decrease to 16.9% by FY 07.	J-8
2. DLA energy non-product cost per barrel will not exceed \$7.97 by FY 07.	J-8
3. DLA Distribution unit cost rate will not exceed \$25.96 per line by FY 07.	J-8
4. DLA will fund 100% of POM initiatives that support strategic plan objectives.	J-8
5. DLA will achieve an activity group workload forecast accuracy of 85% by FY 07.	J-8
6. DLA will transition PPBS from a PLFA-based orientation to a lead center orientation by FY 05.	J-8
7. DLA will develop the capability to measure total supply chain costs by the end of FY 03.	J-38
8. DLA will develop and implement the automated systems, business processes, and controls needed to comply with Federal accounting system requirements to pass the scrutiny of an external audit by FY 07.	J-8

The background of the entire page is a close-up, slightly blurred image of the American flag, showing the stars and stripes in shades of blue, white, and red.

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February 2002